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OPLA~Notes

Nonpartisan Quarterly Newsletter

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for the Maine State Legislature

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The following article is intended to be a summary and discussion of the Maine Clean Election Act. It is not intended to be instructional for candidates for office or lobbyists. For more information on the Act contact: The Commission on Governmental Ethics and Election Practices, 135 State House Station, Augusta, Maine 04333, (207) 287-6219

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THE MAINE CLEAN ELECTION ACT

In 1996, a bill initiated by the citizens of Maine entitled, "An Act to Reform Campaign Finance," came before the 117th Maine State Legislature. On April 1, 1996 the bill died between the House and Senate in nonconcurrence. As a result of that legislative action, the Act was placed on the November 5, 1996 state ballot for a referendum vote. The initiative passed 320,755 to 250,185, thus making Maine the first state in the nation to enact legislation providing for political campaigns that are fully financed using public funds. The Act, codified at 21-A MRSA § 1121 et seq., establishes an alternative campaign financing option beginning in the year 2000.

Newsletter Greetings

Welcome to the first edition of OPLA~Notes for 1999. This edition includes articles that summarize the Clean Election Act, the Federal Energy Regulatory Commission (FERC) ruling affecting the Central Maine Power asset sale, and findings and recommendations of interim study commissions. In addition, this edition also includes our regular features, Internet Intersection, which provides useful web sites, and Did You Know, a section containing facts and trivia about Maine.

In keeping with our nonpartisan status, the articles present the issues with a legislative perspective, but without making judgments or editorializing. We always welcome your comments or suggestions.

Certification

The Maine Clean Election Act provides candidates for the positions of Governor, State Senator and State Representative the option of having their campaigns publicly financed. To qualify for public financing, a candidate must be certified by the Commission on Governmental Ethics and Election Practices by signing and filing a declaration of intent and then collecting "qualifying contributions" of \$5 each from registered voters of the candidate's electoral division as follows:

- Candidates for Governor must collect at least 2,500 qualifying contributions from verified registered voters for a total of at least \$12,500;
- Candidates for State Senator must collect at least 150 qualifying contributions from verified registered voters for a total of at least \$750; and

- Candidates for State Representative must collect at least 50 qualifying contributions from verified registered voters for a total of at least \$250.

Before becoming certified, candidates can accept private “seed money” contributions of no more than \$100 per individual, limited to \$50,000 for gubernatorial candidates, \$1,500 for Senate candidates and \$500 for House candidates. The primary purpose of seed money contributions is to enable a potential participating candidate to collect qualifying contributions. Seed money may not be further collected or spent by the candidates once they are certified, but must be deposited to the Clean Election Fund. Once certified, a candidate may not accept contributions from private sources to fund his or her campaign, except under limited circumstances described below; the campaign will be funded solely from the Clean Election Fund.

Distribution

The Commission will distribute funds to participating candidates from the Maine Clean Election Fund. The amount distributed to a certified candidate to finance a campaign will be equal to the average amount of campaign expenditures for the same type of election for the preceding two elections. This formula applies to both contested and uncontested primary and contested general elections. If there is not enough electoral information from the past two elections, information from the most recent election will be used to determine distribution. Any unspent campaign funds must be returned to the Clean Election Fund. The Commission on Governmental Ethics and Election Practices, which administers the fund, may not distribute amounts in excess of what is contained in the Clean Election Fund. If the amount to be distributed exceeds the amount in the fund, the commission will allow candidates for Governor to accept contributions aggregating no more than \$500 per contributor and candidates for House or Senate seats may accept contributions aggregating no more than \$250 per contributor.

If a participating candidate is being outspent by a non-participating candidate, the Commission will provide the excess expenditures to the participating candidate not to exceed two times the original amount distributed.

Sources of Funding

The sources of funding for the Clean Election Fund are:

- All qualifying contributions;
- Two million dollars of revenues from state income and sales taxes to be transferred to the Fund annually;

- Seed money contributions remaining after a candidate has been certified;
- Fines collected from violations of the Act;
- Voluntary donations made to the fund;
- Revenues generated from a tax checkoff program that allows a person filing a Maine income tax return to designate that \$3 be paid into that fund;
- Funds that remain unspent after distribution to certified candidates; and
- Funds returned by a certified candidate who withdraws as a candidate from an election.

Lobbyist Fees

The Act also increased registration fees required to be paid by lobbyists. Previously, lobbyist fees were \$200 per lobbyist and \$100 per lobbyist associate, and accrued to the General Fund. The Act increased these fees to \$400 and \$200, respectively. The additional \$200 and \$100 (half of the fees) are to be dedicated to the Commission on Governmental Ethics and Election Practices to cover costs of administering the lobbyist registration program. A lawsuit challenging the lobbyist registration fee has resulted in the temporary suspension of the increase, as discussed later in this article.

Federal Court Cases

Prior to the 1998 election, two lawsuits challenging the Constitutionality of the Act were filed in federal court. Parties to the suits included the National Right to Life Committee, the Maine Civil Liberties Union, and legislative candidates. The plaintiffs in the suits alleged that the Act violated the First Amendment right to free speech and asked the court to overturn the Act. District Court Justice D. Brock Hornby dismissed the relevant counts for lack of ripeness. Since none of the plaintiffs could be injured by the Act until after the 1998 general election, a ruling on the merits of the case would be premature. Other counts were dismissed for lack of standing.

The plaintiffs in those cases refiled their cases in federal court in 1998, and those cases are still pending.

State Court Cases

A separate suit brought by the MCLU and the Maine Campground Owners’ Association in the Maine Superior Court challenges the lobbyist registration fees. Pending a decision in that suit, the Superior Court has issued a preliminary injunction with the consent of the parties. The court ordered that the Commission may not collect lobbyist registration fees in excess of \$200 for lobbyists and \$100 for lobbyist associates. This injunction took effect on December 1, 1998. Until further court or legislative action occurs, the fees collected will go directly to the dedicated lobbyist fee account, which is used to pay for

dedicated lobbyist fee account, which is used to pay for administrative costs related to the processing of lobbyist registrations. Fees collected by the Commission prior to this injunction in excess of the \$200 and \$100 amounts are being refunded by the Commission.

Other States' Initiatives

Maine is the first state in the nation to pass such a comprehensive plan to establish a voluntary system of campaign finance intended to "clean up" the election process and even the playing field among candidates for gubernatorial and state legislative offices. Some other states are using the Maine Clean Election Act as a model for their own proposals for campaign finance reform.

- Arizona is considering Proposition 200 "An Act Relating to Campaign Finance Funding and Reporting System." This Act establishes a five-member commission to administer a system which provides public funding and additional reporting requirements for participating candidates and reduces current contribution limits by 20 percent for non-participating candidates.
- Massachusetts has proposed a similar measure to Maine's law which would create a voluntary system allowing candidates for state offices who agree to spending limits and \$100 campaign contributions to receive a specific amount of public funds for their campaigns beginning with the 2002 election.
- Illinois is considering a number of campaign finance reform proposals, including several based on Maine's Clean Election Act. These measures are being introduced in the wake of a campaign finance scandal involving Governor Jim Edgar and an executive of Management Services Inc., a corporation which was awarded a public aid contract after contributing to the Governor's campaign.

Did You Know?



Maine is the only contiguous state in the United States to border only one other state. It is bounded by the State of New Hampshire, the Canadian Provinces of Quebec and New Brunswick, and the Atlantic Ocean.



The Town of York, Maine was the first chartered town in the United States. It was chartered in 1641.

Recent Legal Developments



FERC Ruling Affects CMP Asset Sale

In October 1998, the Federal Energy Regulatory Commission (FERC) issued two rulings in which it disapproved of New England Power Pool (NEPOOL) rules regarding access of generators to the New England electric transmission system (grid).

The FERC found that NEPOOL's method of assessing whether a new generation unit requires an expansion of the transmission grid was based on faulty assumptions and produced inaccurate and unreliable estimates of transmission expansion costs. The FERC stated that grid access procedures needed to be more consistent and that there should be a single application process that is fair and reasonable for all competitors (existing generators and new generators alike). The FERC indicated that it felt that the NEPOOL rules provided an unfair advantage to existing generators. The FERC indicated that the elimination of this advantage was essential to creating effective competition in the New England energy market. The FERC directed NEPOOL to file a new methodology by March 31, 1999.

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FPL Group, a Florida-based entity that has contracted to purchase Central Maine Power's (CMP) generation assets (under the electric restructuring law, CMP is required to sell its generation assets), has filed suit in New York. The suit claims that the FERC ruling "prevents FPL Energy Maine from having the same unconstrained access to the NEPOOL (transmission facilities) that CMP had always enjoyed"¹ and that, as a consequence, CMP cannot deliver under the contract what FPL claims it bargained for: "operation of the CMP assets in a manner that is substantially consistent with CMP's historic operation of the assets."²

The Maine Public Utilities Commission (PUC) and the FERC have both approved the sale of the assets by CMP to FPL. In its approval of the sale, the FERC suggested that FPL would acquire and be entitled to maintain CMP's existing access to the grid. FPL has stated that FERC's comment "does not rectify the effect of FERC's October order reversing the New England Power Pools rules that assured that the operations of existing generators would not be materially and adversely affected by new generators." As of early January, FPL was continuing to maintain its court action seeking release from the contract.

While CMP has publicly supported the maintenance of the NEPOOL rule which the FERC disapproved, CMP vigorously opposes FPL's action and maintains that the purchase and sale agreement is not contingent on the maintenance of the NEPOOL rule and that regulatory rule changes such as this are to be expected in the context of the on-going, massive restructuring of the electricity market.



Interim Study Commissions: Findings and Recommendations

During the interim between the 2nd Special Session of the 118th Legislature and the First Regular Session of the 119th Legislature, the Legislature authorized a number of studies. The following are summaries of the findings and recommendations made by study commissions that involved significant legislative participation and have concluded their work.

¹ FPL Energy Maine, Inc. complaint, page 23.

² Id.

Commission to Examine Rate Setting and the Financing of Maine's Long-term Care Facilities

The 118th Maine Legislature established the Commission to Examine Rate Setting and the Financing of Maine's Long-term Care Facilities in 1997. The commission met 15 times during its work over two interim sessions and was chaired by Mr. Joseph Kozak. The commission considered the following issues: nursing facility reimbursement by Medicare; Medicaid, insurance and private pay sources; the Medicaid Principles of Reimbursement; rate setting, rate equalization; the financial health of the nursing facility industry; employment issues; financial assistance from the Maine Health and Higher Educational Facilities Authority; quality of nursing facility care; minimum staffing requirements; paperwork reduction initiatives; and interaction with consumers and families.

The Commission made the following recommendations;

- ◆ That the Legislature direct the Department of Human Services (DHS) to undertake pilot projects to reward high quality care in nursing facilities based on successful performance by the facilities.
- ◆ That DHS review the Principles of Reimbursement as well as information from facilities in order to identify the specific areas in which reimbursement is inadequate;
- ◆ That the Legislature direct DHS to develop new approaches to reimbursement targeted to specific problems and report to the Health and Human Services Committee by February 1, 1999;
- ◆ That DHS replace its current minimum staffing ratios with minimum staffing requirements that are tied to the acuity level of residents and to the other needs of residents that effect the quality of their lives; and ensure that adequate numbers of direct care staff are available at all times to meet residents' needs;
- ◆ That the Commissioner of Human Services present a proposal to implement and fund these new requirements to the Health and Human Services Committee by March 1, 1999;
- ◆ That equal rates not be mandated at this time;
- ◆ That the Legislature direct the Commissioner of Human Services to report to the Health and Human Services Committee by June 1, 1999 with a plan to reduce paperwork in nursing facilities;

- ◆ That the Legislature direct the Commissioner of Human Services to report to the Health and Human Services Committee by June 1, 1999 with a plan to reduce paperwork in nursing facilities;
- ◆ That DHS improve the provision of information on long-term care services, costs and performance; and strengthen and make more independent the Long-term Care Steering Committee by allocating more resources to it and changing its duties so that it advises the Commissioner and the Legislature;
- ◆ That DHS and the Maine Health Care Association be encouraged to continue their work on a proposal to allow the use of “flex beds,” by which the commission means that beds licensed for long-term or residential care may be used to meet the changing needs of residents and may be reimbursed according to the level of care provided;
- ◆ That the Legislature direct the Commissioner of Human Services to study and identify regulatory barriers to high quality care and make recommendations for relief or modification of rules and report to the Health and Human Services Committee by January 1, 2000;
- ◆ That the Legislature direct the Bureau of Insurance to collect information on long-term care insurance and provide a report by March 1 each year to the Commissioner of Human Services, the Health and Human Services Committee and the public.
- ◆ That the Legislature direct the Commissioner of Human Services to consult with the Long-term Care Steering Committee, study changes in the delivery and financing of long-term care and report to the Health and Human Services Committee by March 1, 2000; and
- ◆ That the Legislature pass a joint resolution opposing the change to the proposed prospective payment reimbursement system that has been instituted in the federal Medicare program.

<p>Commission to Study Providing Educators with More Authority to Remove Violent Students from Educational Settings</p>
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The Commission to Study Providing Educators with More Authority to Remove Violent Students from Educational Settings was established in the Second Special Session of the 118th Legislature by Resolve 1997, chapter 119. The Commission was convened on October 5,

1998, and was co-chaired by Sen. Mary Cathcart and Rep. James Skoglund. The Commission’s 17 members included individuals representing the Legislature, executive branch agencies, teachers, superintendents, school boards, principals, parents and students. The Commission was charged with studying the establishment and the effectiveness of district-wide school disciplinary policies and practices in the State and developing a plan to address the growing concern of violence in the public schools.

The Commission came to two major conclusions regarding the incidence of disruptive and violent student behavior in Maine public schools: first, that teachers, school personnel, school officials and students themselves are faced with a wide range of disruptive and violent student conduct, including gross misconduct and threatening behavior that is serious in nature; and second, that some Maine school officials and communities currently use a variety of effective prevention and intervention strategies and practices to address disruptive and violent student behavior.

The Commission made the following recommendations:

- ◆ Direct the Department of Education, in consultation with representatives of appropriate education stakeholder groups, to develop statewide standards for responsible and ethical student behavior and report these standards to the Committee on Education and Cultural Affairs Committee by April 1, 1999;
- ◆ Recommend that beginning in September 2000, every school administrative unit in the State implement district-wide student conduct codes for all students with clearly defined consequences at the building level for unacceptable behavior, including physical violence and verbal harassment;
- ◆ Recommend that all school administrative units in the State be required to develop and adopt a crisis response plan for violent acts or potential crisis situations for each school building in the unit;
- ◆ Recommend that the Legislature amend the existing “anti-hazing” statute to include protections for educational personnel as well as students and amend the statutory definition of “injurious hazing” to include “injurious harassment;”
- ◆ Encourage school boards to develop policies that allow for greater input by teachers and other educational personnel concerning disciplinary and place-

- ◆ Recommend that educational records follow students who apply to transfer to a school in another school administrative unit in the State; and students who transfer from out of state schools;
- ◆ Recommend that school administrative units report information regarding student expulsions to the Department of Education which should maintain current files on expelled students and provide information to appropriate school officials regarding the disciplinary status of students applying for transfer from one school unit to another unit;
- ◆ Establish a separate task force to study alternative educational settings for disruptive and violent students;
- ◆ Recommend that the local district attorney provide to the superintendent of an alleged juvenile offender's school, and to the superintendent's designees, the name of the youth and other information about the alleged charges for the use or threatened use of physical force against a person, or if a juvenile has been adjudicated as committing one of these offenses;
- ◆ Recommend that a school superintendent provide to local police or other appropriate law enforcement authorities, information regarding violent offenses committed by any person on school grounds;
- ◆ Recommend that school personnel who report safety concerns to school officials with regard to violent or disruptive students be protected from employment discrimination or retaliation for reporting the safety concerns; and
- ◆ Recommend additional funding and resources be provided for violence prevention and intervention programs.

<p>Committee to Review the Governance Structure of the Governor Baxter School for the Deaf</p>

In 1996, the Maine Legislature enacted a law that shifted authority to govern operations of the Governor Baxter School for the Deaf from the Maine Department of Education (DOE) to a newly-created School Board at the Baxter School. As part of that law, the Education and Cultural Affairs Committee was directed to establish a study committee to review the transition to the new governance structure and to report back to the Education Committee by December 15, 1998. The Education Committee established the Committee to Review the

Governance Structure of the Governor Baxter School for the Deaf (Governance Review Committee), a 20-member committee chaired by Representative Elizabeth Watson.

The Committee made the following recommendations:

- ◆ Direct the school board and the state to immediately take steps available within the current personnel and budget system to address personnel needs until a re-designed governance system is in place;
- ◆ Recommend the school board develop and submit a supplemental budget request to the governor to increase the salary for the superintendent position to a nationally-competitive level;
- ◆ Recommend the school board work with the Department of Administrative and Financial Services (DAFS) to determine whether the recruitment and retention problems experienced by the school are sufficient to justify an adjustment to salaries for the principal, teachers and other professional educational personnel to more appropriate levels;
- ◆ Recommend the school board work with DAFS to designate currently-authorized positions as positions that can be used to hire temporary service providers;
- ◆ Recommend the school board work with DAFS to prepare and submit a supplemental budget request to the Governor to better provide staff and funding for temporary service needs;
- ◆ Recommend the Department of Education and the State Board of Education review existing certification standards for teachers of the deaf and other professional educational staff to determine whether there are more appropriate ways to measure competency in providing deaf education;
- ◆ Recommend the school board work with the Department of Education to develop plans for improving preparation and development of teachers of the deaf and other professional educational personnel;
- ◆ Recommend the school board work with the Department of Administrative and Financial Services to create an incentive program to provide stipends to staff to develop the bi-lingual competency;
- ◆ Recommend the budget system be revised to give the GBSD school board flexibility to move money around within its budget without legislative approval

and that the board be authorized to submit a supplemental budget request to the Legislature at the beginning of the second year of each biennium;

- ◆ Recommend a study group be established immediately to design a more autonomous governance system for the school, that resources be dedicated to helping the school develop capacity to be more autonomous, and that legislation creating the new governance system be developed for introduction to the Second Regular Session of the 119th Legislature; and
- ◆ Recommend that a group be formed to define a new governance system and to help the Baxter School develop the capacity to implement a system that is more autonomous from the State than the current governance system and report back to the Legislature by December 1, 1999.

The Joint Select Committee to Implement a Program for the Control, Care and Treatment of Sexually Violent Predators

The Joint Select Committee to Implement a Program for the Control, Care and Treatment of Sexually Violent Predators was created by the 118th Maine Legislature through Joint Order, House Paper 1653. The Committee's charge was to develop a plan for the control, care and treatment of sexually violent predators. The Committee was comprised of 13 Legislators and was co-chaired by Sen. Robert Murray Jr. and Rep. Richard Thompson. The members consulted with the Department of Corrections, the Department of the Attorney General and the Department of Mental Health, Mental Retardation and Substance Abuse Services, as well as other agencies, attorneys and other members of the public.

The Joint Select Committee made the following recommendations:

- ◆ That the Legislature not adopt a civil commitment process for sexual predators as was originally proposed in LD 1807;
- ◆ That the Legislature amend the Criminal Code to provide longer sentences of imprisonment and longer periods of probation and to create supervised release to provide supervision of sex offenders whose terms of imprisonment have expired. Some members of the Committee supported even stronger criminal penalties, such as imposing a life sentence for a person who is convicted of a second gross sexual assault;

- ◆ Define "dangerous sexual offender" to be a person who has committed a gross sexual assault after having already been convicted and sentenced for a serious sexual assault;
- ◆ Increase the maximum term of imprisonment to "any term of years" for dangerous sexual offenders;
- ◆ Increase the maximum period of probation to "any term of years" for dangerous sexual offenders;
- ◆ Provide for supervised release to be imposed after a straight term of imprisonment expires;
- ◆ Allow the court to revoke probation if, during the initial unsuspended portion of the term of imprisonment, a dangerous sexual offender refuses to actively participate in a sex offender treatment program, in accordance with the expectations and judgment of the treatment providers, when requested to do so by the Department of Corrections;
- ◆ Allow the court to impose a period of supervised release after a term of imprisonment for a person convicted of gross sexual assault;
- ◆ Increase the number of forensic and presentence evaluations of sex offenders;
- ◆ Create a separate line item in the Judicial Department's budget for sex offender evaluations and provide adequate funding for the performance of appropriate evaluations;
- ◆ Require that all forensic evaluations ordered by the court be provided to the Department of Corrections; and
- ◆ Accelerate availability of sex offender treatment programs provided by the Department of Corrections, including a variety of treatment modes with a focus on behavior management.

Joint Select Committee on Research and Development

The Joint Select Committee on Research and Development was created by the 118th Maine Legislature to review legislation relating to research and development and report its finding and recommendations to the Legislature. The commission was comprised of 12 legislators and was co-chaired by Sen. Mary Cathcart and Rep. G. Steven Rowe.

In developing its recommendations, the committee focused on three broad areas of need to be addressed in order to attract and retain research and development activity in the State: a need for research and development infrastructure; a need for an educated and technically skilled workforce; and a need for business assistance. Based on these needs and the current programs and initiatives in place to support research and development in Maine, the committee made the following recommendations:

Research and Development Infrastructure

- ◆ Increase the University of Maine System's base funding for research and development by appropriating \$10 million per year during the next biennium and eventually \$20 million per year to the Maine Economic Improvement Fund;
- ◆ Invest \$15 million per year for capital construction at the University of Maine System to renovate and construct research facilities;
- ◆ Designate Fogler Library at the University of Maine as the State Research Library for Business, Science and Technology. The committee further recommended appropriating approximately \$5 million per year for the purchase of information resources and the negotiation of statewide licenses for on-line databases, for the equipment to house the databases and for staff support to interpret the databases;
- ◆ Create and fund a Center for Advanced Law and Management at the University of Southern Maine with an appropriation of \$200,000 per year;
- ◆ Expand the Center for Technology-Based Business Development at the University of Maine;
- ◆ Develop and maintain the University of Maine's Internet 2 system to create a high-speed research network;
- ◆ Invest \$15 million per year in a program to support applied research, development and commercialization in target technology areas; and
- ◆ Recommend that the Joint Select Committee report out legislation to the First Regular Session of the 119th Legislature.

Educated and Technically Skilled Workforce

- ◆ Appropriate \$1 million per year to the Maine Technical College System for the initial capitalization of new or expanded catalog programs to meet the employment needs of growing high tech companies;
- ◆ Appropriate \$100,000 per year for 3 years to support expansion of the Department of Education's partnership with the National Aeronautic and Space Administration (NASA);
- ◆ Appropriate \$2 million per year for 5 years for professional development and curricular development programs to ensure that students in the K-12 system derive the maximum benefit from school-based technology;
- ◆ Appropriate \$100,000 to the Foundation for Blood Research's Science Works program to provide adequate laboratory equipment in Maine high schools;
- ◆ Appropriate \$150,000 to the Maine Science and Technology Foundation for the MERITS program (Maine Research Internships for Teachers and Students) to provide expanded internship opportunities in the public and private sectors for science and mathematics teachers and students;
- ◆ Appropriate \$750,000 per year for 3 years to the University of Maine System to provide increased opportunities for Maine high school students to learn about and experience success in post secondary math, science and engineering programs;
- ◆ Fund the Governor's Marine Studies Fellowship Program with an annual appropriation of \$50,000 to connect Maine students with Maine researchers;
- ◆ Recommend that the Legislature carefully consider the recommendations of the Finance Authority of Maine with regard to financial aid repayment programs for students who choose to remain in Maine and obtain employment in one of the technology target areas; and
- ◆ Appropriate \$50,000 per year to support the Maine Science and Technology Foundation's education initiative.

Business Assistance

- ◆ Recommend that the Legislature carefully consider the recommendations of the Finance Authority of Maine with regard to increasing access to capital and

assisting fledgling businesses in locating and obtaining capital;

- ◆ Tentatively recommend that \$55,000 be appropriated for the Maine Science and Technology Foundation (MSTF) to identify new opportunities for innovation in Maines' businesses and to convene stakeholders to identify an implementation strategy for delivering training efforts;
- ◆ Tentatively recommend appropriating funds for commercialization initiatives, including training for SBIR (Small Business Innovation Research) service providers and grants through the Maine SBIR Assistance Program, and development of a web-based commercialization network;
- ◆ Tentatively recommend appropriating \$50,000 per year to MSTF to expand its role in identifying science and technology strategies for Maine, convene stakeholder groups to discuss implementation strategies and make recommendations to the Legislature; and

Special Commission on Financial Services Taxation

The Special Commission on Financial Services Taxation was established on July 31, 1998 by order of the President of the Senate and the Speaker of the House of Representatives. The Commission was charged with reviewing Maine's tax laws applicable to entities that provide financial services in this State and making recommendations to ensure that Maine's tax structure is fair and equitable and to ensure that the State is competitive with other states in attracting and maintaining financial services businesses. Three Senate members and seven House members who serve on the Joint Standing Committee on Taxation, the Joint Standing Committee on Banking and Insurance or the Joint Standing Committee on Business and Economic Development were appointed to the Commission. The Commission was chaired by Senator Lloyd LaFountain III and Representative Bonnie Green.

The Commission coordinated its efforts with a task force appointed by Governor Angus S. King, Jr. called the Financial Services Taxation Advisory Group (Advisory Group). Members of the Advisory Group included the State Tax Assessor who chaired the group; the Commissioner of Professional and Financial Regulation; representatives of the banking, insurance and investment industries and other providers of financial services; representatives of the legal and accounting professions; and representatives of the general public. The Commission and the

Advisory Group focused on specific areas where changes to the tax laws could make an impact on the inequities in the taxation of participants in the financial services industry.

The Special Commission made the following recommendations:

- ◆ Direct the Maine Revenue Services to monitor State revenues from the taxation of financial services and report annually to the Legislature on any changes in revenue in the bank franchise tax, insurance premium tax or corporate income tax directly or indirectly resulting from the expansion of financial services entities into non-traditional lines of business; any issues and trends resulting from the expansion of traditional financial services entities into insurance sales and underwriting, sales of securities and mutual funds, investment banking and other types of financial services; and any activities of other states and the Multistate Tax Commission related to the taxation of financial services;
- ◆ Recommend that Maine Revenue Services monitor legal developments relating to the definition of "nexus" for purposes of the franchise tax on financial institutions and the corporate income tax. The commission requests the State Tax Assessor to encourage the Multistate Tax Commission to work expeditiously on developing strategies for states to address the changing nature of the financial services industry in a fair and uniform manner that reduces the potential for double taxation of taxpayers doing business in more than one state; and
- ◆ Recommend that the Joint Standing Committee on Business and Economic Development and the Joint Standing Committee on Taxation work together to develop strategies for attracting financial services businesses to Maine.

Select Commission to Study the Opening of a Discount State Liquor Store in Fort Kent

The Select Commission to Study the Opening of a Discount Liquor Store in Fort Kent was established by Public Law 1997, chapter 755. That law directed a 13-member commission to explore the feasibility and benefits of locating a discount state liquor store in Fort Kent. The Commission was composed of three members of the Senate, 10 members of the House of Representatives, the Director of the Bureau of Alcoholic Beverages and Lottery Operations, and two business people from Fort Kent.

The commission was co-chaired by Senator Judy Paradis and Representative Joseph Driscoll.

The Select Commission to Study the Opening of a Discount State Liquor Store in Fort Kent made the following recommendations:

- ◆ Recommend that no discount state liquor store be opened in Fort Kent;
- ◆ Recommend the Bureau of Alcoholic Beverages and Lottery Operations re-evaluate the operation of a discount state liquor store in Calais and report its findings to the Legislature; and
- ◆ Recommend the Bureau of Alcoholic Beverages and Lottery Operations explore alternative pricing mechanisms that would allow agency stores to increase their profit.

<p>Task Force to Study the Need for an Ombudsman for the Department of Human Services and the Department of Mental Health, Mental Retardation and Substance Abuse Services</p>

The Task Force was convened on October 20, 1998 and was chaired by Representative Elaine Fuller. The Task Force consisted of members representing the Legislature; children; women; the elderly; low-income families; persons with developmental disabilities; consumers of substance abuse services; persons with mental illness; the Medicaid managed care ombudsman program; and the Long-term Care Ombudsman program.

The Task Force made the following recommendations for the Department of Human Services (DHS):

- ◆ Establish ombudsman programs for DHS through outside contracts with nonprofit organizations.
- ◆ Maintain a Medicaid Managed Care Ombudsman for all Medicaid recipients enrolled in managed care;
- ◆ Direct DHS to prepare and distribute an informational pamphlet by February 14, 1999 to parents who become involved with the child protective system;
- ◆ Establish due process protection for parents involved with the child protective system prior to court action;
- ◆ Require the Bureau of Child and Family Services to adopt rules for the operation of the child protective system by December 31, 1999;

- ◆ Direct DHS to investigate whether families applying for TANF benefits are receiving adequate notice of their right to refuse to cooperate in the collection of child support cases where cooperation would place the parent or child in danger and report back to the Health and Human Services Committee by May 1, 1999;
- ◆ Require DHS to make fair hearings available to former TANF beneficiaries seeking to challenge the amount of the distribution by the Department of child support that they are eligible to receive and the timeliness of payment by the Department;
- ◆ Require DHS to examine whether sanctions in the TANF Program are being fairly and uniformly administered throughout the State and implement a corrective action plan to remedy any problems that are found;
- ◆ Direct the Auditing, Contracting and Licensing Service Center to adopt rules governing the Transitional Child Care program in accordance with the Maine Administrative Procedures Act by April 30, 1999; and
- ◆ Require DHS to create model forms for use by the department and all providers and contractors of the department to provide notice of action and notice of appeal or review rights to participants in department programs.

The Task Force made the following recommendations for the Department of Mental Health, Mental Retardation and Substance Abuse Services (MHMRSAS):

- ◆ Increase the capacity of the Office of Advocacy to serve adult recipients of mental health services in the community by adding one advocate position in this area;
- ◆ Increase the number of children's advocates within the Office of Advocacy so that there is one advocate per region for children's services;
- ◆ Provide funding for two additional positions to the Disability Rights Center for advocacy services to children with special needs;
- ◆ Increase the funding to \$100,000 for the Office of Advocacy's outside contract for legal assistance to department clients with civil legal problems;

- ◆ Increase the capacity of the Office of Advocacy to serve adult recipients of mental health services in the community by adding one advocate position in this area;
- ◆ Increase the number of children's advocates within the Office of Advocacy so that there is one advocate per region for children's services;
- ◆ Provide funding for two additional positions to the Disability Rights Center for advocacy services to children with special needs;
- ◆ Increase the funding to \$100,000 for the Office of Advocacy's outside contract for legal assistance to department clients with civil legal problems;
- ◆ Amend the Office of Advocacy's annual reporting requirement to the Health and Human Services Committee;
- ◆ Support the development of an independent consumer initiative in the State for current consumers of substance abuse services, recovering substance abusers and their families; and
- ◆ Require DMHMRSAS to make biennial reports to the Health and Human Services Committee regarding the consumer assistance and advocacy services available to clients of the department and the implementations of the recommendations of the Task Force.

The Task Force made the following recommendations for both DHS and DMHMRSAS:

- ◆ Require the Department of Human Services (DHS) and the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) to make biennial reports to the Health and Human Services Committee regarding the consumer assistance and advocacy services available to clients of the departments and the implementation of the recommendations of this Task Force.

In addition to the interim studies described above, the Joint Select Committee on Substance Abuse met during the summer and fall. The Committee's charge was to review issues related to substance abuse, to determine how to address these issues in a coordinated fashion, and to recommend changes in policies which affect substance abuse prevention and treatment. For more information about the Joint Select Committee's report, please contact the Office of Substance Abuse at 207-287-2595.

Internet Intersection

What Are "Cookies"?

Cookies are a message given to a Web browser by a Web server. The main purpose of cookies is to identify users and possibly prepare customized Web pages for them. When you enter a Web site using cookies, you may be asked to fill out a form providing such information as your name and interests. This information is packaged into a cookie and sent to your Web browser which stores it for later use. The next time you go to the same Web site, your browser will send the cookie to the Web server. The server can use this information to present you with custom Web pages. So, for example, instead of seeing just a generic welcome page you might see a welcome page with your name on it.

The browser stores the message in a text file called cookie.txt. The message is then sent back to the server each time the browser requests a page from the server. The name cookie derives from UNIX objects called magic cookies. These are tokens that are attached to a user or program and change depending on the areas entered by the user or program.



Policy and Government

New Jersey Law Network: Despite its name, the New Jersey Law Network does not confine its scope to that state. Visitors will find a well-organized collection of links to text of laws, law schools, professional organizations, courts, government, and other sites dealing with law both in and outside of New Jersey. The U.S. Law by Topic section offers a list of sites in categories ranging from arbitration and consumer law to law journals and newspapers.

<http://www.njlawnet.com/>

Government Information Xchange: A comprehensive site providing links to federal, state, local, foreign and international government information. The site includes both a search feature and a topic menu.

<http://www.info.gov/>

Thomas: Federal legislation from 1973 to present, as well as links to other governmental information.

<http://thomas.loc.gov/>

Multi-engine search tools eliminate the need to input separate queries in each engine.

<http://www.mygo.com>



News

American Journalism Review Newslink: A comprehensive site providing links to state, national and international newspapers. This site also includes a search feature by a newspaper's name or location.

<http://ajr.newslink.org/news.html>



General Interest

The Old Farmer's Almanac: This well-known publication provides fun and practical information for everyday life, including moon calendars, planting charts, recipes, weather predictions, quotes of the day and historical tidbits

<http://www.almanac.com/>



OPLA PUBLICATIONS

A listing of study reports of legislative committees and commissions categorized by year is available from OPLA. For printed copies of any of these publications, please contact the Office of Policy and Legal Analysis at 13 State House Station, Augusta, Maine 04333 (287-1670) or stop by Rooms 101/107 of the State House. Initial copies are available at no charge. Additional copies of the publications are available at nominal cost. In addition, many of the legislative studies staffed by OPLA during the 117th and 118th Legislature are available on the OPLA website at:

<http://www.state.me.us/legis/opla>

The following current publications are now available:

- ◆ **Final Report of the Commission to Study Providing Educators with More Authority to Remove Violent Students from Educational Settings** - January 1999
- ◆ **Final Report of the Committee to Review the Governance Structure of the Baxter School for the Deaf** - December 1998

- ◆ **Final Report of the Commission to Study the Opening of a Discount Liquor Store in Fort Kent** - December 1998
- ◆ **Final Report of the Joint Select Committee on Research and Development** - December 1998
- ◆ **Final Report of the Special Commission on Financial Services Taxation** - December 1998
- ◆ **Final Report of the Task Force to Study the Need for an Ombudsman for the Department of Human Services and the Department of Mental Health, Mental Retardation and Substance Abuse Services** - December 1998
- ◆ **Final Report of the Commission to Examine Rate Setting/Financing of Long Term Care Facilities** - November 20, 1998
- ◆ **Final Report of the Joint Select Committee to Implement a Program for the Control, Care and Treatment of Sexually Violent Predators** - October 1998

A Word About OPLA

The Office of Policy and Legal Analysis (OPLA) is a nonpartisan office of the Maine State Legislature. It operates under the auspices of the Legislative Council. The office provides professional staff assistance to the joint standing and select committees, including provision of policy and legal research and analysis, coordination of the committee process, drafting of bills and amendments, statutory analysis of budget bills in cooperation with the Office of Fiscal and Program Review and preparation of legislative proposals, reports and recommendations. Following is the mission of the office:

OPLA Mission

The Office of Policy and Legal Analysis assists, in a nonpartisan and responsive manner, the Maine Legislature, its committees and its members in fulfilling the Legislature's mission by providing objective information, impartial legal and policy analysis, and assisting in formulating and drafting legislative proposals, reports and recommendations.

OPLA~Notes

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David E. Boulter, Director

Editor: Darlene Shores Lynch, Sr. Researcher

Contributors: Danielle Fox, Legislative Analyst
and Jon Clark, Esq., Legislative Analyst

We welcome your comments and suggestions.

Contact the Office of Policy and Legal Analysis by
writing to 13 State House Station, Augusta, Maine
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